

DG ENERGY & INFRASTRUCTURE

Clean, behind-the-meter digital infrastructure

July 2026

Chair Rebecca Noecker and Members of the Policy Committee
Saint Paul City Council
15 West Kellogg Boulevard
Saint Paul, MN 55102

Re: Data Centers Discussion, July 8 Policy Committee (SR 26-138): Set the Standard, and Let It Be Met

Dear Chair Noecker and Members of the Committee,

By way of introduction, DG Energy and Infrastructure develops clean, behind-the-meter digital infrastructure. In plain terms, we build data centers that generate their own power on site with combustion-free fuel cells and cool with closed-loop systems that use almost no water. Our proposed project at 139 Eva Street is the adaptive reuse of an existing building on the West Side, a right-sized urban facility designed to serve the Saint Paul metro. We write not about any single approval, but to offer the Committee a fuller and more factual picture as it weighs the impacts, and to share one conviction we hold above the rest: the most powerful thing a community can do is decide clearly what it wants and needs, and then allow this industry to meet it.

The concerns before you are real. Water, power, emissions, noise, and transparency all deserve to be taken seriously, and the residents raising them are right to ask. No one should be asked to accept infrastructure they are not permitted to understand. But the picture the public has been handed is a snapshot of a fast-moving target, and it is already dated. Across the field, at every scale and including the largest operators, real effort is going into solving these very concerns. Companies are returning more water than they use, moving to closed-loop and air-cooled designs, generating clean power on site, capturing waste heat for district systems, and signing transparency and community-benefit commitments that did not exist a few years ago. This is not an industry digging in. It is an industry adapting, and adapting quickly.

That is why the instinct to simply stop, whether by moratorium or a flat refusal, deserves a harder look than it usually gets. When the automobile began taking lives on our streets, we did not outlaw the car. We invented the seatbelt and the airbag, built traffic lights and speed limits, and set the rules of the road, and the industry engineered to meet them. The car grew safer and more useful every year precisely because we kept building it under better rules. No technology arrives perfect, and none ever has; we make it better by building it under better standards, not by refusing to build it at all. A moratorium on data centers is the equivalent of banning the automobile instead of inventing the seatbelt. It does not pause the harm. It pauses the progress, and it sends the partners most eager to meet a city's goals off to build somewhere else.

The wiser path, and the one only this Council can take, is to say clearly what Saint Paul wants and needs (on water, on emissions, on the grid, on transparency, and on what a project owes its neighborhood), and then hold every proposal to it. Set the standard, and the standard will be met. And when a proposal does meet it, thoughtfully defined and well built, it deserves to be judged on its design, not turned away because it shares a name with something built differently somewhere else. A good solution should not be denied for the company its label keeps.

It helps to begin with a distinction, because not every data center is the same. Some are vast training campuses that belong in remote places with land and power to spare. Others are small, urban facilities that must sit close to the people they serve, because the services they run (a hospital's imaging tools, the fraud check that clears your card in the instant you swipe it, a 911 call being routed) fail when distance adds

delay. Saint Paul has hosted this second kind for years without incident, including Securian's data center and the State of Minnesota's own MNIT center, running downtown at a megawatt or two and asking nothing of the neighborhood. A century ago the city placed its telephone exchanges in its neighborhoods for the same reason, because the service had to live among the people it connected. A right-sized urban computing facility is simply that exchange in modern form.

What the newest designs make possible is better than the debate assumes, and it is what we have built our own project around:

- **Water.** Our cooling runs in a closed loop, recirculating rather than evaporating. It uses closer to what a few homes use than the millions of gallons older campuses once drew, with no strain on the river, the aquifer, or a single resident's tap.
- **Air.** Our power is made without fire. Solid-oxide fuel cells produce electricity chemically rather than by burning, so they emit near-zero of the nitrogen oxides, sulfur oxides, and soot that air-quality permits exist to catch. There is no smokestack and no diesel bank.
- **The grid.** The facility makes its own power on site, so it places no large new draw on the public grid, needs no ratepayer-funded transmission, and adds nothing to anyone's electric bill. On its best days it can hand capacity back.
- **Heat.** Warmth that others exhaust into the sky can instead flow into District Energy Saint Paul's downtown and West Side loop, heating real buildings without burning more gas. District Energy has said, publicly, that it is looking for exactly this.
- **The tax base.** This is private capital reinvested in a building the city already has, returned to the tax rolls at full value without any abatement, delivering real and recurring revenue at a time when Saint Paul is working to close a serious budget gap.

That is our project at 139 Eva Street, and a preview of where the whole field is heading. We are not asking to be trusted blindly. We are asking for the opposite. Write the standards, tiered so that a small reuse project and a hyperscale campus are held to appropriately different bars, and we will help you write them and be the first to meet them. Other cities have shown the line can be drawn. Minneapolis distinguishes smaller downtown facilities from large campuses, and Fairfax County treats a reused building differently from a bulldozed field.

So our request is simple, and hopeful. Do not answer a caricature, and do not answer a snapshot that is already changing. Decide what Saint Paul needs, and let this industry rise to meet it. The city can protect its water, its air, its grid, and its budget, and still be the place that showed the country how to welcome this technology and make it a better neighbor in the process. That example will be written somewhere. We would be honored to help write it here, with you, as one partner among many who want to get it right.

Thank you for your service, and for the seriousness you are bringing to a question that deserves it. We are ready to meet, to answer any questions, and to open our plans to whatever scrutiny is useful.

Respectfully,

Matt Dahlhauser

Founder & CEO

DG Energy & Infrastructure